

Finance and Property Services 2014 Budget Hearing

Department found on pages E65-E75 in budget book

Presentation to Ways and Means/Budget Committee
September 16, 2013

Department Budget by Program (\$000's)

Program Name	2013 Council Adopted (All Funds)	2014 Mayor's Recommended (General Fund)	2014 Mayor's Recommended (All Funds)	2013-14 % Change Mayor's (All Funds)
Accounting and Reporting Services	\$ 7,499	\$8,002	\$ 8,253	10.1%
Administer Utility Billing	\$ 5,303	\$5,443	\$ 5,443	2.6%
Buy, Order, Pay for Goods/Services	\$ 3,111	\$ 2,627	\$ 3,250	4.5%
Investments/Cash Mgmt	\$ 1,411	\$ 1,510	\$ 1,510	7.0%
Pay Employees	\$ 1,256	\$ 1,277	\$ 1,277	1.7%
Risk Management	\$ 2,563	\$ 29	\$ 2,474	-3.5%
Strategic Financial Services	\$ 1,044	\$ 1,087	\$ 1,087	4.1%
Radio Shop	\$ 2,075	\$ 29	\$ 1,945	-6.3%
Security Management	\$ 273	\$ 29	\$ 277	1.5%
Energy Management	\$ 196	\$ 29	\$ 198	1.0%
Facilities Management	\$ 9,029	\$ 446	\$ 9,753	8.0%
MBC Reimbursement for Cost	\$ 4,841	\$ -	\$ 4,796	-0.9%
Enterprise Resource Planning System (ERP)	\$ 1,509	\$ 989	\$ 989	-34.5%
Total:	\$ 40,108	\$ 21,497	\$ 41,252	2.9%

The 2014 Recommendation includes a current service level reduction of \$200,000

Department Budget by Division (\$000's)

Finance Division	2014 Mayor's Recommended (All Funds)	FTE
Controller	\$8,076	68.0
Development Finance	\$1,396	11.0
Executive	\$1,434	6.0
Management & Budget	\$933	7.0
Procurement	\$2,526	24.0
Property Services	\$16,853	66.0
Risk Management	\$2,445	9.0
Treasury	\$7,589	55.0
Total:	\$41,252	246.0

* Note: Dollars are in thousands.

Impact of Recommended Budget on Key Results

- The addition of 1.0 FTE in the area of Procurement will provide for added efficiency in purchase and payment processing, particularly related to the use of the Purchasing Card. The added staff will contribute to the City's ability to meet invoice payment standards and increase purchasing effectiveness.
- The reinstatement of 2.5 FTEs in the Property Services Division will support the City's need for space planning, maintenance, and project execution.
- Two FTEs (Development Finance and Treasury) added to reconcile overall FTEs to actual.
- The Department's base budget contemplates a \$200,000 reduction to funding needed to maintain current service level as part of "right-sizing" funding to correlate more closely to needed resources.

Initiatives-Business and Operations

Initiative	Outcome
Budgeting and longer-term Financial planning	Resource allocation aligned with City priorities; continued “right-sizing” of expenses and revenue forecasting Alignment of revenue accounting with standards for fees, local taxes and other non-property tax sources Budgeting and planning processes provide transparency for decision-making
Fund balance management and cash deployment	Comprehensive perspective, by fund and overall, to determine appropriate target levels Monitoring and forecasting to guide planning for use of existing resources
Purchasing Card/Other Procurement Initiatives	Speed up procurement of goods and services for departments Incorporate SUBP objectives and racial equity toolkit to smaller contracts
Internal controls, reconciliations, etc.	Protect City assets, ensure integrity of financial reporting and operations, reduce potential for fraud
Financial policies and programs	Provide consistent framework for ongoing financial decisions
Departmental Financial Management Assistance	Enhance management reporting tools to facilitate decision-making and forecast outcomes

Initiatives (continued)

Initiative	Outcome
Programs to enhance safety and productivity of City employees and visitors to City facilities	Continue reinvigoration of Safety and Risk Management Committee Support and execute employee wellness activities Restart security awareness activities
Capital and Debt Management	Complete internal service fund deficit reductions Manage debt portfolio for interest cost savings Facilitating the CLIC Process and development of the 5 Yr CIP Implement the Capital Asset Request System (CARS) to provide for technology, equipment, rolling stock Implement financing strategies for major projects
Space Upgrades and Long-term Planning	Promote efficient use of City facilities including development of long-term plan for downtown campus Increases focus on utilization of FSAM for space and facilities planning
Cost allocations/rate models	Continue exploring process changes to focus energies on high impact decisions Remove allocations from discretionary department budgets to insure proper funding levels to maintain appropriate balances

Operating Capital Request(CARS)

Item	2014
Property Services Equipment (Lifts, Vans, Trucks)	380,750
Budgeting Software Replacement/Enhancement	530,000
Electronic Document Management for Work Comp	40,000
Facility Access and Security Upgrades	345,000
Total	1,295,750

Workforce Planning – Human Resource Initiatives

- Continued support of activities responding to employee survey results:
 - Employee Advisory Committee
 - Employee recognition (Operation Spotlight, Departmental newsletter, “Boss Hog” travelling trophy, etc.)
 - Employee development and advancement (financial support for training and education, seminars, etc.)
- Development focused on broadening skill-sets:
 - Implement PerformMinneapolis
 - Technical: financial and operational
 - Cultural: build and support curiosity and engagement
- Four C’s: celebration, camaraderie, connectivity, creativity

How is the Department Doing

- Programs focused on operational processing (e.g. pay employees, buying goods/services), relatively stable and efficient; working to increase effectiveness
- Functions combining operational and strategic (e.g. accounting and reporting services, investments/cash management, facilities management), generally process well and growing into strategic
- Vision: continue driving effectiveness into operational activities and pair with strategic functions that forecast future outcomes and impacts to better inform decision-making and adjust as circumstances unfold

Finance and Property Services

Expenditures by Type (\$41.3 million)

